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GOVERNMENT REFORM AND SAVINGS ACT OF 1993

NOVEMBER 15, 1993.—Ordered to be printed

Mr. DE LA GARZA, from the Committee on Agriculture, submitted the following

REPORT

[To accompany H.R. 3400]

The Committee on Agriculture, to whom was referred the bill (H.R. 3400), to provide a more effective, efficient, and responsive government, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments to the bill as reported by the Committee are as follows:

Page 2, strike lines 2 and 3, and insert the following:

"Subtitle B—Eliminating Federal Support for Honey"

Page 4, strike line 1 and all that follows down through line 22 on page 11, and insert the following:

TITLE I—DEPARTMENT OF AGRICULTURE

Subtitle A—Department of Agriculture Reorganization

SEC. 1001. DEPARTMENT OF AGRICULTURE REORGANIZATION.

(a) IN GENERAL.—The Secretary of Agriculture shall (1) consolidate field, regional, and national offices within the Department of Agriculture and (2) reduce personnel by not less than 7,500 staff years, so as to achieve a reduction in expenditures by the Department of not less than

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$1,640,000,000 during the period fiscal years 1995 through 1999.

(b) AUTHORITIES.—In consolidating offices and reducing personnel as required by subsection (a), the Secretary shall take such action on the basis of the powers vested in the Secretary under other laws.

Subtitle B—Eliminating Federal Support for Honey

SEC. 1101. AMENDMENTS TO SECTION 207 OF THE AGRICULTURAL ACT OF 1949.

(a) Section 207(a) of the Agricultural Act of 1949 is amended to read as follows:

"(a) IN GENERAL.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1994 and 1995 crops, the price of honey shall be supported through recourse loans.

"(1) For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

"(2) For the 1994 and 1995 crop years, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 shall not be applicable to honey forfeited to the Commodity Credit Corporation under loans made under this paragraph.

"(3) A producer who fails to repay a loan made under paragraph (2) by the end of the crop year following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.".

(b) Section 207(b) of the Agricultural Act of 1949 is amended by striking "for a crop" and inserting "for the 1991 through 1993 crops".

(c) Section 207(c) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1993".

(d) Section 207(e) of the Agricultural Act of 1949 is amended by—

(1) striking subparagraphs (D) through (G);

(2) inserting "and" after the semicolon following subparagraph (B); and

(3) changing the semicolon following subparagraph (C) to a period.

(e) Section 207(j) of the Agricultural Act of 1949 is amended by striking "1998" and inserting "1995".

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SEC. 1102. AMENDMENT TO SECTION 405 OF THE AGRICULTURAL ACT OF 1949.

Section 405(a) of the Agricultural Act of 1949 is amended by striking in the first sentence "section 405A" and inserting "sections 207 and 405A".

SEC. 1103. AMENDMENTS TO SECTION 405A OF THE AGRICULTURAL ACT OF 1949.

Section 405A(a) of the Agricultural Act of 1949 is amended by striking all that follows "1992 crop year," and inserting "and $150,000 in the 1993 crop year.".

SEC. 1104. SAVINGS PROVISION.

A provision of this subtitle may not affect the liability of any person under any provision of law as in effect before the effective date of the provision.

Brief Explanation

As amended by the Committee on Agriculture, subtitle A of title I of H.R. 3400 requires the Secretary of Agriculture, subtitle A of title I of H.R. 3400 requires the Secretary of Agriculture to (1) consolidate field, regional, and national offices of the Department of Agriculture and (2) reduce personnel by not less than 7,500 staff years, so as to achieve a reduction in expenditures of not less than $1.64 billion during the period fiscal years 1995 through 1999.

Subtitle B of title I of H.R. 3400, as amended by the Committee, provides for the termination of the nonrecourse loan and deficiency payment program for honey beginning in crop year 1994 and directs the Secretary to establish a non-cost recourse loan program for crop years 1994 and 1995. [Note.—The Committee's amendment is consistent with the action taken by Congress in the 1994 fiscal year appropriations Act for the Department of Agriculture. Under that Act, to funds may be used to operate, during fiscal year 1994, as nonrecourse loan and payment program for honey.]

Purpose and Need of Title I

When the Vice President announced the results of this review of the Federal bureaucracy in September 1993, the report was called "Creating a Government that Works Better and Cost Less." It is appropriate that the U.S. Department of Agriculture be one of the first agencies to undergo restructuring, with the goal of better servicing its customers, at less cost to taxpayers.

The Committee has held a series of hearing designed to focus on ways to modernize the Department and ensure that it continues to pay a dynamic and positive role in agricultural production and trade, in rural development, in the conservation on natural resources, and the food security and nutritional well-being of all Americans.

The Secretary of Agriculture sent to Congress a legislative proposal, which was introduced by Chairman de la Garza (by request) on September 29, 1993, as H.R. 3171. That legislation would give the Secretary authority to make changes in the way the Department conducts business, in addition to the authorities already vested in him. The Committee supports this effort.

The Secretary has emphasized that reform should begin at the national headquarters, and that H.R. 3171 is primarily a restructuring of headquarters operations. However, H.R. 3171 would have a major effect on how services are delivered in the field. Therefore, the Committee plans to ask the Department to provide a more detailed explanation of how it intends to implement the proposal, particularly on the ways it will affect clients and employees at the State and county levels.

The Committee understands that the Department already has the legislative authority to institute the majority of reforms it intends to make. The language adopted by the Committee in H.R. 3400 directs the Secretary to achieve both staff reductions and budget savings at the Department during the 5-year fiscal year period 1995 through 1999. At the same time. H.R. 3400, as amended, makes it clear that the Committee reserves the opportunity to address the many technical and substantive issues concerning reorganization in a deliberative fashion over the coming months. (Under the amended H.R. 3400, the Secretary is to consolidate offices and reduce personnel on the basis of authorities vested in him under other laws. H.R. 3400 does not grant the Secretary any additional authority to reorganize the Department of reduce personnel.)

In addition, H.R. 3400 provides for the termination of the authority to make Federal nonrecourse price support loans and payments to honey producers. The honey program has become controversial, and to some critics it is a symbol of government activities that are wasteful or ineffective. To address this perception of its critics, the Committee replaces the current price support program for honey with a recourse loan program for crop year 1994 and 1995 that will operate at no cost to the government. This will assist in the orderly marketing of honey and allow producers to continue to use a valuable marketing tool. In the absence of future Congressional action, the Secretary would not be required to operate a price support loan program for honey after the 1995 crop year.

Section-by-Section Analysis of Title I (As Amended by the Committee on Agriculture)

SUBTITLE A

Section 1001—Department of Agriculture reorganization

Section 1001 requires the Secretary of Agriculture to (1) to consolidate field, regional, and Washington offices of agencies within the Department of Agriculture and (2) reduce personnel by not less than 7,500 staff years so as to achieve a reduction in expenditures by the Department of not less than $1,640,000,000 during the period fiscal years 1995 through 1999. In consolidating offices and reducing personnel, the Secretary must act on the basis of the powers vested in the Secretary under other laws.

SUBTITLE B

Section 1101—Amendments to section 207 of the Agricultural Act of 1949

Section 1101 amends section 207(a) of the Agricultural Act of 1949 to provide for the termination of the nonrecourse loan and de-

ficiency payment program for honey beginning in crop year 1994. Section 1101 also requires the Secretary to operate a no-cost recourse loan program for crop years 1994 and 1995, with a minimum loan rate for honey of 44 cents a pound. Failure to timely repay a recourse loan will disqualify a producer from participating in any price support loan program for honey that may be established in future years (unless the Secretary determines that the nonpayment was due to hardship circumstances or conditions beyond the control of such producer). The minimum sales price restriction in section 407 of the 1949 Act would not be applicable to the recourse loan program for honey. [NOTE.—In the absence of future Congressional action, the Secretary would not be required to operate a price support program for honey after the 1995 crop year.]

Section 1102—Amendment to section 405 of the Agricultural Act of 1949

Section 1102 amends section 405 of the 1949 Act to make it clear that producers receiving recourse loans for honey during the 1994 and 1995 crop years will be personally liable for any deficiency arising from the sale of the collateral securing the loans.

Section 1103—Amendment to section 405A of the Agricultural Act of 1949

Section 1102 strikes a provision in section 405A of the 1949 Act that limits loan forfeitures to $125,000 for 1994 and subsequent years. The provision is no longer necessary because the authority for a nonrecourse loan program is removed by the amendments to section 207. For the same reason, section 1102 also strikes a provision in section 405A of the 1949 Act that makes the loan forfeiture limitation inapplicable during crop years in which the Secretary does not permit producers of honey to repay the price support loans at a level determined under section 207(b)(2) of the current Act.

Section 1104—Savings provision

Section 1104 allows the Commodity Credit Corporation to make payments to fulfill past obligations after the authority requiring the Secretary to operate a price support loan program for honey expires.

COMMITTEE CONSIDERATION

On November 9, 1993, the Committee on Agriculture met pursuant to notice to consider H.R. 3400, the Government Reform and Savings Act of 1993. Title I of H.R. 3400 is within the legislative jurisdiction of the Committee. Chairman de la Garza called the meeting to order, explained the purpose of the bill, and opened the bill for amendments.

On behalf of himself and Mr. Roberts, the Chairman offered and explained certain amendments. The amendments make the following six changes in title I of H.R. 3400, as introduced.

1. Section 1001—Reorganization of the Department of Agriculture

The amendment strikes a provision directing the Secretary to restructure and reinvent the Department of Agriculture pursuant to

current legal authorities and the authorities proposed in H.R. 3171, and replaces it with a provision containing general instructions on reorganization to the Secretary of Agriculture modeled on the language contained in the House version of the 1993 budget reconciliation bill.

2. Subtitle B of Title I. Eliminate Federal support for wool and mohair

The amendment strikes subtitle B of title I, which contains provisions identical to those in Public Law 103–130 (signed by the President on November 1, 1993) phasing out the wool and mohair program.

3. Sections 1201–1205—Eliminate Federal support for honey

The amendment terminates the nonrecourse price support loan and deficiency payment program for honey being in crop year 1994 and replaces that program with a no-cost recourse loan program for crop years 1994 and 1995.

4. Section 1202

The amendment strikes section 1202, which would have required the Secretary to continue making nonrecourse loans and deficiency payments on a quantity of hone reduced for each producer by 25 percent for 1994 and 50 percent for 1995.

5. Section 1203

The amendment strikes a provision that would have limited forfeitures by the amount that could have been placed under loan under the provisions that would have been added by section 1202 of the bill to sections 207 (b) and (c) of the Agricultural Act of 1949.

6. Section 1204

The amendment strikes section 1204, which prohibits the Secretary from providing loans or payments for honey by using funds of the Commodity Credit Corporation after December 31, 1995.

Mr. Roberts suggested that the amendment to section 1001 be modified to specify that personnel reductions at the Department of Agriculture total at least 7,500 staff years.

Ms. Clayton suggested that the amendment to section 1001 be amended to specify that the Secretary must work within the authorities available to him under other laws to implement the instructions contained in that section.

The Chairman asked unanimous consent to amend the de la Garza-Roberts en bloc amendments to include the changes suggested by Mr. Roberts and Ms. Clayton. By unanimous consent, the changes were agreed to.

By a voice vote, the en bloc amendments, as amended, were adopted.

By a voice vote, H.R. 3400, as amended, was agreed to and ordered favorably reported to the House.

Administration Position

The views of the Administration on H.R. 3400, as introduced, are set forth in the following memorandum to Members of Congress from the Director of the Office of Management and Budget:

Executive Office of the President,
Office of Management and Budget,
Washington, DC, October 27, 1993.

To: Members of Congress.
From: OMB Director Leon E. Panetta.
Subject: National Performance Review Recommendations.

Yesterday President Clinton transmitted to the Congress the "Government Reform and Savings Act of 1993." This legislation is based on the recommendations of the National Performance Review (NPR). Attached is a summary of the legislation.

The goal of the NPR is to provide the American people with a more effective, efficient, and responsive government—a government that works better and costs less. The NPR began on March 3, 1993, when President Clinton asked Vice President Gore to conduct an intensive 6-month review of how the Federal Government works. The Vice President organized a team of experienced Federal employees from all corners of government to examine both agencies and cross-cutting systems, such as budgeting, financial management, procurement, and personnel. He spoke with employees at every major agency and sought the views of hundreds of organizations, business leaders, and State and local officials.

The NPR report presents numerous proposals, some of which require legislation, some of which can be achieved through administrative action. The legislation presented yesterday is a major step in implementing those NPR recommendations that require action by the Congress. The Administration plans to include additional NPR proposals in the Fiscal Year 1995 Budget.

This legislation includes proposals that seek to: consolidate and streamline agency operations; eliminate unnecessary programs; end unneeded subsidies; improve financial management and debt collection; reduce the burdens resulting from statutory reporting requirements; and improve the dissemination of government information. They were selected from the NPR report with the expectation that they can be considered expeditiously by the Congress. It is the President's hope that these recommendations will be passed by the Congress prior to adjournment this year.

National Performance Review Government Reform and Savings Act of 1993

I. CUTTING BACK TO BASICS

The National Performance Review calls for getting government back to basics by eliminating what we don't need, collecting more of what the government is owed, reengineering programs to cut costs, and investing in greater productivity. Following are the provisions of the Government Reform and Savings Act which fall in these categories:

Eliminating what we don't need

Eliminate the obsolete

Streamline USDA's field structure. As part of the broader effort to reorganize the Department of Agriculture to reduce costs and improve service, the legislation directs the Secretary to reduce the numbers of county-based field offices and USDA bureaus. Savings: $1.64 billion.

Maximize efficiency of DOD health care operations. This proposal would close the Department of Defense's Uniformed Services University of Health Sciences. A sufficient supply of qualified medical personnel can be obtained from non-Federal institutions, and at a lower cost. Savings: $350 million.

Streamline and reorganize U.S. Army Corps of Engineers. This recommendation directs the Secretary of the Army to implement a reorganization plan to reduce costs and improve operations. Savings: $105 million.

Streamline HUD field operations. The measure calls for the Department of Housing and Urban Development to streamline its Washington, regional, and field office structure and consolidate and reduce its size over time. Savings: $167 million.

Reduce State Department mission operating costs. This recommendation requires reductions in the cost of foreign missions by: (1) reducing, where possible, Marine Security Guard detachments by upgrading physical security systems and by other means; and (2) consolidating U.S. Information Agency activities. Savings: $20.7 million.

Eliminate grant funding for Federal Aviation Administration higher education programs. The proposal would end the Airway Sciences Curriculum and Grants Program and the Collegiate Training Initiative for Air Traffic Controllers. The services can be provided by other education institutions. Savings: $14.2 million.

Phase out the Bureau of Mines mineral institutes. This program, which was intended to encourage university research and graduate education programs relating to minerals, has accomplished its purpose and is no longer needed. The legislation would therefore phase it out. Savings: $24.5 million.

Eliminate duplication

Consolidate operational environment polar satellite program. To reduce costs and duplication, this measure proposes the integration, to the extent possible, of the current polar-orbiting satellite programs operated by NASA and the Departments of Commerce and Defense. Savings: $300 million.

Consolidate HUD Section 8 certificates and vouchers. This proposal would improve management efficiency by consolidating two similar programs operated by the Department of Housing and Urban Development—Section 8 certificates and Section 8 vouchers. Both programs provide rental assistance to needy individuals and families. Savings cannot be estimated at this time.

Eliminate special interest privileges

End the wood and mohair subsidy. This provision would phase out by December 31, 1995, the Department of Agriculture price

support subsidy program for wool and mohair producers. Savings: $695 million.

Eliminate Federal support for honey. The Department of Agriculture price support subsidy program for honey producers would be phased out by December 31, 1995. Savings: $6.5 million.

Reduce annual essential air service subsidies. This proposal would limit Department of Transportation air service subsidies, which were intended to assist remote locations, to areas at least 70 miles away from a hub airport, and would limit the amount of the subsidy. Savings: $70.1 million.

Collecting more

Collecting debt

Refinance HUD Section 235 mortgages. This provision would authorize the Department of Housing and Urban Development to provide incentives to encourage refinancing at current, low interest rates of old, high-interest mortgages that are being subsidized by the government. Savings: $302 million.

Improve Minerals Management Service royalty collections. The bill authorizes MMS to improve the efficiency of its mineral royalty collection program, including assessing civil penalties for substantial underpayment of mineral royalties from Federal lands and waters. Savings: $28 million.

Improve Department of Justice debt collection efforts. The legislation would establish a Debt Collection Fund within the Justice Department to be used for debt collection expenses and to be financed by a ten-percent surcharge on all debt arising from civil judgments in actions in which the United States prevails on its claims for debts. Savings: $961 million.

Strengthen debt collection programs throughout government. The legislation contains a series of measures to improve debt collection, including: (1) allowing agencies to retain a portion of the money they collect from delinquent debts to pay for credit management and debt collection improvements; and (2) lifting restrictions on the use of private collection agencies by the Customs Service and the Department of Health and Human Services, including the Social Security Administration for debt owed to the Social Security Trust Fund by those who receive benefits to which they are not entitled. Savings cannot be estimated at this time.

Department of Veterans Affairs clearinghouse. This proposal would authorize the VA to use the Medicare/Medicaid Coverage Data Bank to determine whether veterans receiving health care have private health insurance. Under current law, reimbursement can be sought from private insurers for care related to non-service-connected conditions. Savings: $420 million.

Eliminating fraud

Improve Social Security Administration disability claims processing. The measure requires that SSA apply appropriate resources to ensuring that benefits are not paid to individuals who are no longer disabled. Removing ineligible individuals from the disability rolls will ultimately help to reduce initial application backlogs as well. Savings: $485.3 million.

Coordinate collection and dissemination of SSA information. This measure would permit the Social Security Administration to share death information with other agencies to ensure that other programs do not provide inappropriate benefits. Savings: under $50,000.

Reduce Federal Employees' Compensation Act fraud. The legislation would amend the law to: (1) make it a felony to lie on benefit applications; (2) bar from the program those convicted of defrauding it; and (3) authorize the program to cut off benefits to people in jail. The program is one that assists Federal employees disabled on the job and helps them to find new employment. Savings: $22.6 million.

Improve reporting of state workers' compensation payments to SSA to prevent double-paying. This provision would require improved reporting to facilitate offsets required by current law for those receiving both workers compensation benefits and Social Security Disability benefits. Savings: under $50,000.

Fair compensation for services and resources

Create incentives for Defense Department to generate revenues. To encourage an innovative means of raising funds, the legislation would authorize DOD managers and commanders to use for mission purposes the proceeds from the sale of recyclable materials generated on an installation. Savings: $500 million.

Sale of the Alaska Power Administration. This initiative would authorize the sale of the Alaska Power Administration. It is no longer appropriate for the Federal government to retain this asset. Savings: $59.5 million.

Adjust civil monetary penalties to the inflation index. The legislation would provide for a catch-up inflation adjustment of civil monetary penalties, and for additional future adjustments at least every four years. This would ensure that penalties retain their deterrent power. Savings: $192 million.

Reduce spending for U.S. Merchant Marine Academy. This provision would authorize Academy to charge tuition to students to cover half the cost. Currently, students pay no tuition. Savings: $36.1 million.

Bureau of Prisons medical services. The legislation would require that the bureau charge a nominal fee to prisoners who are able to pay for medical services. Savings: $13.8 million.

Power Marketing Authority Refinancing. This proposal permits PMA's to refinance their subsidized Treasury debt through the private market.

Investing in greater productivity

Create innovation funds. Each agency would be authorized to establish an "innovation fund" to provide a self-sustaining source of financing for innovations that improve service, enhance productivity, and cut costs. Savings cannot be estimated at this time.

Create franchise funds. Agencies would be permitted to purchase common administrative services, such as payroll, computer support, or procurement, competitively from other Federal agencies that might be more responsible or offer better prices. Savings cannot be estimated at this time.

Reengineering programs to cut costs

Increase use of technology to streamline financial services. This series of measures would promote electronic transfers, by direct deposit, of Federal salary and retirement payments. Electronic transfers could be waived at the request of individual workers and retirees who might still prefer paper transactions. Savings: $23.5 million.

II. CUTTING RED TAPE

One of the first priorities of the National Performance Review is to cut bureaucratic red tape. This means streamlining the budget process, procurement, and regulatory overkill, it means decentralizing personnel and other policies, and it means empowering state and local governments. The Government Reform and Savings Act contains several measures that cut red tape, and costs. They include the following:

Year-end spending

To combat the "use-it-or-lose-it" syndrome which encourages Federal departments and agencies to spend every last dollar at the end of each fiscal year, this recommendation would permit agencies to roll over to the next year 50 percent of any unobligated balances in annual operating costs. Savings cannot be estimated at this time.

Reduce the burden of congressionally mandated reports

The legislation would: (1) provide flexibility to the Office of Management and Budget on the timing of management and financial management reports; and (2) permit OMB to eliminate, consolidate, or modify certain reports mandated by general and financial management statutes that are outdated, duplicative, or inefficient. Savings cannot be estimated at this time.

Provide incentives to encourage voluntary separations

The legislation would provide departments and agencies with the authority to offer separation pay to workers who retire or quit and would authorize departments and agencies to fund job search activities and retraining of employees scheduled to be displaced. It also limits annual leave accumulation by senior executives to 240 hours. This proposal is budget-neutral.

Amend the Employee Retirement Income Security Act requirement for summary plan descriptions

This provision would remove the requirement that sponsors of pension and benefit plans automatically file annual plan descriptions with the Department of Labor. Savings: $300,000.

Streamline VA benefits claims processing

This initiative would revise certain procedures of the Board of Veterans Appeals that are used to adjudicate appeals following denials of veterans' benefits within the Department of Veterans Affairs. Outlays: $1.8 million.

Apply information technology to expedite wage determinations for Federal contracts

This proposal calls for the Department of Labor to develop an electronic data system to provide Federal agencies instant access to Service Contract Act wage determinations. Savings cannot be estimated at this time.

III. PUTTING CUSTOMERS FIRST

The National Performance Review encourages the development and use of market forces to improve government services and reduce costs. The Government Reform and Savings Act contains a number of provisions to help achieve those goals, including the following:

Authorize elimination of the current Federal printing monopoly

To encourage reduced costs and improved printing services, this recommendation would phase out the requirement that agencies use the Government Printing Office, permitting them to procure their own printing and allowing GPO to bid for that work. Savings: $30 million.

Private power congeneration

The legislation would allow private sector power generating facilities built at Federal sites under jurisdiction of the Department of Energy to sell power to private as well as Federal customers. Savings: $112 million.

Allow competitive contracting for HCFA claims processing

The Health Care Financing Administration would be authorized to permit full and open competition for Medicare claims processing contracts, hereby reducing costs and conflicts of interest and eliminating inefficiencies. Specifically, HCFA would implement a single claims processing system known as the Medicare Transaction System, and eliminate certain legal and regulatory restraints, thereby enabling HCFA to contract with the most efficient and effective contractors. Savings: $730 million.

Improve HUD multi-family asset management and disposition

The legislation would reduce restrictions on sales by the Department of Housing and Urban Development of multi-family properties, including the use of portable subsidies to protect low-income tenants. Savings: $715 million.

Reduce HUD Section 8 contract rent payments

The Department of Housing and Urban Development would, under this proposal, modify its process for adjusting rent payments to landlords. Savings: $558 million.

Improve the Federal helium program

This provision would improve the efficiency of the Federal helium program, operated by the Department of the Interior, by reducing costs, requiring full compensation to the government for its costs,

and encouraging increased sales to the private sector without market disruption. Savings: $47 million.

Phase out and close VA supply depots

The legislation would convert the Department of Veterans Affairs' existing centralized depot storage and distribution system to a delivery system using private sector vendors. Savings: $79 million.

IV. EMPOWERING EMPLOYEES TO GET RESULTS

The National Performance Review seeks to change the relationship between Federal workers and their managers, encouraging greater flexibility, responsibility and accountability while improving conditions in the workplace. Some of the specific proposals for making that profound shift are contained in the Government Reform and Savings Act, including the following:

Require audited financial statements

To provide greater accountability to the American people, the legislation would require 23 key Federal agencies, many of which have cash flows comparable to the nation's largest corporations, to prepare annual audited financial statements that cover the organization-wide activities of these agencies. Savings cannot be estimated at this time.

Improve training of Federal workers

This measure would reduce restrictions on employee training to allow managers to focus on their particular organizational missions and to take advantage of the available training marketplace. Savings cannot be estimated at this time.

Reemployment programs for occupationally disabled Federal employees

The legislation would: (1) expand a program which assists Federal employees disabled on the job and helps them to find new employment; and (2) strengthen efforts to review records to assure that those receiving benefits are entitled, and that beneficiaries are receiving the proper amounts. Savings: $126 million.

Eliminate legislative budget constraints to promote management effectiveness

This measure would eliminate certain restrictions on personnel and travel to improve management flexibility and effectiveness. Savings cannot be estimated at this time.

(All savings are in budget authority for Fiscal Years 1994–1999.)

BUDGET ACT COMPLIANCE (SECTION 308 AND SECTION 403)

The provisions of clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives and section 308(a) of the Congressional Budget Act of 1974 (relating to estimates of new budget authority, new spending authority, or new credit authority, or increased or decreased revenues or tax expenditures) are not considered applicable. The estimate and comparison required to be prepared by the

Director of the Congressional Budget Office under clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives and section 403 of the Congressional Budget Act of 1974 were not received by the Committee prior to the filing of this report.

Inflationary Impact Statement

Pursuant to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, the Committee estimates that enactment of H.R. 3400, as amended, will have no inflationary impact on the national economy.

Oversight Statement

No summary of oversight findings and recommendations made by the Committee on Government Operations under clause 2(b)(2) of rule X of the Rules of the House of Representatives was available to the Committee with reference to the subject matter specifically addressed by H.R. 3400, as amended.

No specific oversight activities other than the hearings detailed in this report were conducted by the Committee within the definition of clause 2(b)(1) of rule X of the Rules of the House of Representatives.

Changes in Existing Law

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

The Agricultural Act of 1949

*   *   *   *   *   *   *

SEC. 207. HONEY PRICE SUPPORT.

⟦(a) In General.—For each of the 1991 through 1998 crops of honey, the price of honey shall be supported through loans, purchases, or other operations at not less than—

⟦(1) 53.8 cents per pound for each of the 1994 and 1995 crop years;

⟦(2) 50 cents per pound for each of the 1994 and 1995 crops years;

⟦(3) 49 cents per pound for the 1996 crop year;

⟦(4) 48 cents per pound for the 1997 crop year;

⟦(5) 47 cents per pound for the 1998 crop year.⟧

(a) In General.—For each of the 1991 through 1995 crops of honey, the price of honey shall be supported through loans, purchases, or other operations, except that for the 1994 and 1995 crops, the price of honey shall be supported through recourse loans.

(1) For the 1991 through 1993 crop years, the rate of support shall be not less than 53.8 cents per pound.

(2) For the 1994 and 1995 crop years, the Secretary shall provide recourse loans to producers at such a rate that minimizes costs and forfeitures, except that such rate shall not be less than 44 cents a pound. Section 407 shall not be applicable to honey

forfeited to the Commodity Credit Corporations under loans made under this paragraph.

(3) A producer who fails to repay a loan made under paragraph (2) by the end of the crop following the crop year for which such loan was made shall be ineligible for a loan under this section for subsequent crop years, except that the Secretary may waive this provision in any case where in which the Secretary determines that the failure to repay the loan was due to hardship conditions or circumstances beyond the control of the producer.

(b) MARKETING LOAN PROVISIONS.—The Secretary may permit a producer to repay a loan made to the producer under this section [for a crop] *for the 1991 through 1993 crops* at a level that is the lesser of—

* * * * * * *

(c) LOAN DEFICIENCY PAYMENTS.—

(1) IN GENERAL.—The Secretary shall, for each of the 1991 through [1998] *1993* crops of honey, make payments available to producers who, although eligible to obtain a loan under subsection (b), agree to forgo obtaining the loan in return for payments under this subsection.

* * * * * * *

(e) PAYMENT LIMITATION.—

(1) IN GENERAL.—The total amount of payments that a person may receive under this section may not exceed—

(A) $200,000 in the 1991 crop year;
(B) $175,000 in the 1992 crop year; *and*
(C) $150,000 in the 1993 crop year[;].
[(D) $125,000 in the 1994 crop year;
[(E) $100,000 in the 1995 crop year;
[(F) $75,000 in the 1996 crop year; and
[(G) $50,000 in each of the 1997 and 1998 crop years.]

* * * * * * *

(j) CROPS.—Notwithstanding any other provision of law, this section shall be effective only for the 1991 through [1998] *1995* crops of honey.

* * * * * * *

SEC. 405(a). Except as otherwise provided in [section 405A] *sections 207 and 405A,* no producer shall be personally liable for any deficiency arising from the sale of the collateral securing any loan made under authority of this Act unless such loan was obtained through fraudulent representations by the producer. This provision shall not, however, be construed to prevent the Commodity Credit Corporation or the Secretary from requiring producers to assume liability for deficiencies in the grade, quality, or quantity of commodities stored on the farm or delivered by them, for failure properly to care for and preserve commodities, or for failure or refusal to deliver commodities in accordance with the requirements of the program. There is authorized to be included in the terms and conditions of any such nonrecourse loan a provision whereby on and after the maturity of the maturity of the loan or any extension thereof Commodity Credit Corporation shall have the right to ac-

quire title to the unredeemed collateral without obligation to pay for any market value which such collateral may have in excess of the loan indebtedness.

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SEC. 405A. (a) A producer of honey may satisfy the producer's obligation to repay a loan, or a portion of a loan, made to the producer under section 207 by forfeiting the collateral for the loan, or portion of the loan, only if the value of the collateral forfeited, when taken together with the value of the collateral forfeited on any other loan or loans of the person for such crop of honey under section 207, does not exceed $200,000 in the 1991 crop year, $175,000 in the 1992 crop year, [$150,000 in the 1993 crop year, and $125,000 in each of the 1994 and subsequent crop years: *Provided, however,* That the loan forfeiture limitation provided by this section shall not be applicable for any crop year for which the Secretary does not permit producers of honey to repay the price support loans at a level determined under section 207(b)(2)] *and $150,000 in the 1993 crop year.*

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